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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/767,546	01/29/2004	Thomas J. Daley	04-6163	6583
63710 7590 10/07/2009 DEAN P. ALDERUCCI CANTOR FITZGERALD, L.P. 110 EAST 59TH STREET (6TH FLOOR) NEW YORK, NY 10022				
EXAMINER VIZVARY, GERALD C				
ART UNIT 3684		PAPER NUMBER		
MAIL DATE 10/07/2009		DELIVERY MODE PAPER		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/767,546

Applicant(s)

DALEY ET AL.

Examiner

GERALD C. VIZVARY

Art Unit

3696

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 29 June 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-36 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-36 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SF/ICE)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Reopening Prosecution After Notice of Appeals and Request for Pre-Appeals Conference

1. In view of the Pre-Appeals Conference Request filed on 6/29/2009, PROSECUTION IS HEREBY REOPENED. New grounds of rejection are set forth here below.

The previously paid notice of Appeal fee and Appeal Brief fee can be applied to the new Appeal. If however, the Appeal fees set forth in 37 CFR 41.20 have been increased since they were previously paid, then Appellant must pay the difference between fees and the amount previously paid. MPEP 1207.04.

A Supervisory Patent Examiner (SPE) has approved of reopening prosecution by signing here below. MPEP 1002.02(d) and 1208.02.

Claim Objections

2. Claims 16 & 34 objected to because of the following informalities: Abbreviation IOC should be written out. Appropriate correction is required.

Examiner notes that a system is not a statutory category. 35 U.S.C. 101 reads as follows: Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title. The

preambles of claims 19-36 recite a system, which is not a statutory category. However the body of the claim recites a structure which fits the statutory category of machine or apparatus. For clarification Examiner recommends that the preamble be changed to clearly reflect a statutory category of invention.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

In performing the steps of claims 1-18, there is no requirement that a machine be used. Therefore, the claimed subject matter may be performed using only human intelligence, which has recently been held to be non-statutory. Furthermore, process claims reciting abstract ideas are patentable only if the process involves one of the other statutory classes of subject matter (i.e. a machine, manufacture, or composition of matter). In re Comiskey, No. 2006-1286, (Fed. Cir. Sep. 20, 2007), 17-21.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1, 6, 19 & 24 are rejected under 35 USC § 112 2nd paragraph. The term "associated with" is unclear and renders the claims indefinite. The term is not defined by the claim, and the specification does not provide a standard for ascertaining the

meaning and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention or if at the time the application was filed, had possession of the claimed invention.

Claims 1, 6, 9, 19, 24 & 27 are rejected under 35 USC § 112 2nd paragraph. The terms "based on" and "based upon" are unclear and render the claims indefinite. The term is not defined by the claim, and the specification does not provide a standard for ascertaining the meaning and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention or if at the time the application was filed, had possession of the claimed invention.

Claims 8, 9, 24 & 27 are rejected under 35 USC § 112 2nd paragraph. The term "according to" is unclear and renders the claims indefinite. The term is not defined by the claim, and the specification does not provide a standard for ascertaining the meaning and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention or if at the time the application was filed, had possession of the claimed invention.

Claims 16 & 34 are rejected under 35 USC § 112 2nd paragraph. The term "immediately" is unclear and renders the claims indefinite. The term is not defined by the claim, and the specification does not provide a standard for ascertaining the meaning and one of ordinary skill in the art would not be reasonably apprised of the

scope of the invention or if at the time the application was filed, had possession of the claimed invention.

Claim 1 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: How the market center prices are received, how the market centers are determined, how the one market center is selected, how the policy is determined and how the trading order is routed.

Claim 2 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: how the offer request and the bid request are specified.

Claim 6 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: How the market center prices are received, how the market centers are adjusted, how the one market center is compared, how the market center is selected.

Claim 8 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: how the best price information is identified.

Claim 9 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: how the market center price is adjusted, how the market center prices are compared and how the particular market center is selected.

Claim 13 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: how the market center indicates that the order may be disclosed.

Claim 17 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: how the length of time is monitored, how a timeout length is determined, and how the cancel instruction is communicated.

Claim 18 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See

MPEP § 2172.01. The omitted steps are: how the length of time is monitored, how a timeout length is determined, and how the trading order is communicated.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

6. Claims 1-36 are rejected under 35 U.S.C. 102(b) as being anticipated by Lupien US 5,101,353.

As per claim 1 (Previously Presented) Lupien US 5,101,353 discloses a method for routing a trading order to a market center, comprising: receiving a trading order specifying a trading product;
determining a plurality of market center prices for the trading product, each market center price associated with at least one of a plurality of market centers ("Controller CPU 10 is further connected with the CPU'S 23 of external automated brokers, exchanges and markets such as INSTINET and the CINCINNATI Stock Exchange and others also for purposes of transmitting order and transaction data which may be displayed at these external locations on associated CRT displays 24 and/or a hard copy printer 25." Lupien US 5,101,353 col. 3, lines 7-9);

selecting one of the plurality of market centers based upon the determined market center prices ("The system monitors security trades, price and size quotations and various portfolio characteristics as well as other factors in real time as disclosed herein."

Lupien US 5,101,353 col. 3, lines 7-9);

determining a policy for the selected market center, in which the policy identifies portions of orders submitted to the market center that are disclosed to other traders; and based on the determined policy, routing the trading order to the selected market center in order to control a disclosure of the trading order. ("A sorting function allows the user to concentrate on the most important orders according to the selected criteria. This display function allows users to manage their orders and to review how their decision and trade processes are working, how their orders are interacting with the market, and what other market participants are doing." Lupien US 5,101,353 col. 7, lines 19-26)

Claim 19 is rejected under similar rationale.

As per claim 2 (Original) Lupien US 5,101,353 discloses a method of claim 1, wherein the trading order specifies at least one of a bid request and an offer request for the trading product. ("Clients can view their orders ranked by size (as displayed), nearness to execution, price move for the day, symbol, etc. The screen is divided so that Sales appear on one half of the screen, Purchases on the other. For each order, the security's symbol, best bid, market or exchange displaying that best bid (an "*" means the best bid resides on the system represented by the current invention), similar information for the ask price, the multiple of 100 shares represented by the best bid and ask, the size of

this client's order in multiples of 100 shares and the current limit price associated with this order." Lupien US 5,101,353 col. 7, lines 47-59)

Claim 20 is rejected under similar rationale.

As per claim 3 (Original) Examiner notes that the recitation "the trading product comprises a financial instrument" has not been given patentable weight because the intended use is not functionally related to the method steps. Thus, this nonfunctional descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F. 2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F. 3d 1579, 32 USPQ 2d 1031 (Fed. Cir. 1994)

Claim 21 is rejected under similar rationale.

As per claim 4 (Original) Examiner notes that the recitation "trading product comprises at least one of: a stock; a bond; and a futures contract" has not been given patentable weight because the intended use is not functionally related to the method steps. Thus, this nonfunctional descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F. 2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F. 3d 1579, 32 USPQ 2d 1031 (Fed. Cir. 1994)

Claim 22 is rejected under similar rationale.

As per claim 5 (Original) Lupien US 5,101,353 discloses a method of claim 1, wherein each market center price comprises at least one of a bid price and an offer price for the trading product. ("The best bid for the stock is \$16.125 for 5,000 shares. That bid resides on the system represented by this invention, and is obviously this order. The best offer happens to be on the Midwest Stock Exchange, it is for 10,000 shares at a price of \$16.375. The client had a substitute order for the security BBT which currently resides on the Cancelled order list." Lupien US 5,101,353 col. 7, lines 65-col. 8, line 3)
Claim 23 is rejected under similar rationale.

As per claim 6 (Original) Lupien US 5,101,353 discloses a method of claim 1, wherein selecting one of the plurality of market centers comprises:
receiving best price information for the trading product ("The best bid for the stock is \$16.125 for 5,000 shares. That bid resides on the system represented by this invention, and is obviously this order. The best offer happens to be on the Midwest Stock Exchange, it is for 10,000 shares at a price of \$16.375. The client had a substitute order for the security BBT which currently resides on the Cancelled order list." Lupien US 5,101,353 col. 7, lines 65-col. 8, line 3);
adjusting at least one market center price according to policy information associated with the corresponding market center ("Other ways of limiting the price paid would be a market or industry beta-adjusted order, or a price which floated as a function of the bid or ask price." Lupien US 5,101,353 col. 7, lines 65-col. 8, line 3);

comparing the plurality of market center prices ("Orders residing on both the present invention and external computerized brokers, exchanges and/or markets are subject to cancellation due to prior execution in such other systems. If the client desires, an order may be transmitted to such other systems to match against order residing thereon."

Lupien US 5,101,353 col.14, lines 5-10); and

selecting a particular market center based at least in part upon the comparison. ("The system selects and executes trades based on an analysis of transactions and the imposition of controls which leave the basic characteristics of the underlying portfolio of securities selected by the investment manager intact." Lupien US 5,101,353 col.4, lines 61-65)

Claim 24 is rejected under similar rationale.

As per claim 7 (Original) Lupien US 5,101,353 discloses a method of claim 6, wherein the policy information indicates whether a particular market center will match, split, or disregard the best price information. ("Trade reports from remote systems would be matched to outstanding tentative executions just as the original orders were matched. Partial order matches or partial executions cause the contra side order to split into an order of the correct size and an order holding the remaining size. Rejection of a match triggers appropriate fusion of previously split orders." Lupien US 5,101,353 col.14, lines 30-36)

Claim 25 is rejected under similar rationale.

As per claim 8 (Original) Lupien US 5,101,353 discloses a method of claim 6, wherein the best price information identifies at least one of a best bid price and a best offer price for the trading product. ("Clients can view their orders ranked by size (as displayed), nearness to execution, price move for the day, symbol, etc. The screen is divided so that Sales appear on one half of the screen, Purchases on the other. For each order, the security's symbol, best bid, market or exchange displaying that best bid (an "*" means the best bid resides on the system represented by the current invention), similar information for the ask price, the multiple of 100 shares represented by the best bid and ask, the size of this client's order in multiples of 100 shares and the current limit price associated with this order." Lupien US 5,101,353 col. 7, lines 47-59)

Claim 26 is rejected under similar rationale.

As per claim 9 (Original) Lupien US 5,101,353 discloses a method of claim 1, wherein selecting one of the plurality of market centers comprises:

adjusting at least one market center price according to at least one of cost information and rebate information of the corresponding market center ("Another adjustment is then made in step 34 to reflect the "normal" price of each security in the inventory of securities covered by the system." Lupien US 5,101,353 col. 9, lines 59-61);

comparing the plurality of market center prices ; and

selecting a particular market center based at least in part upon the comparison. ("The one order listed on the Purchase side of the screen in FIG. 2 indicates that this client has an order to buy 5,000 shares of the security represented by the symbol XYZ at a

limit price of \$16.125 (all prices are displayed as whole dollars plus the numerates of the appropriate fraction). The best bid for the stock is \$16.125 for 5,000 shares. That bid resides on the system represented by this invention, and is obviously this order. The best offer happens to be on the Midwest Stock Exchange, it is for 10,000 shares at a price of \$16.375." Lupien US 5,101,353 col. 7, lines 60-68)

Claim 27 is rejected under similar rationale.

As per claim 10 (Original) The method of claim 9, wherein:

the cost information specifies a transaction cost charged by a particular market center for processing the trading order; and the rebate information specifies a transaction rebate charged by a particular market center for processing the trading order. ("The controller CPU executes trades and manages orders and portfolios. It also provides status and transaction reports to system users. It acts partially as an order matching device to bring buyers and sellers together, and it collects and stores data on disc 12 in the form of transaction reports from various securities markets as well as the flow of price quotations made by participants in those markets made available through a service such as a securities information vendor." Lupien US 5,101,353 col. 6, lines 2-11) rebate information is part of the match for bringing buyers and sellers together.

Claim 28 is rejected under similar rationale.

As per claim 11 (Previously Presented) Lupien US 5,101,353 discloses a method of claim 1, wherein the trading order specifies a total quantity of the trading product and a

maximum disclosure quantity of the trading product. . ("A sorting function allows the user to concentrate on the most important orders according to the selected criteria. This display function allows users to manage their orders and to review how their decision and trade processes are working, how their orders are interacting with the market, and what other market participants are doing." Lupien US 5,101,353 col. 7, lines 19-26)

Claim 29 is rejected under similar rationale.

As per claim 12 (Previously Presented) Lupien US 5,101,353 discloses a method of claim 11, wherein: the policy of the selected market center is a proprietary reserve policy; and the trading order routed to the selected market center specifies the total quantity of the trading product and the maximum disclosure quantity of the trading product. . ("A sorting function allows the user to concentrate on the most important orders according to the selected criteria. This display function allows users to manage their orders and to review how their decision and trade processes are working, how their orders are interacting with the market, and what other market participants are doing." Lupien US 5,101,353 col. 7, lines 19-26)

Claim 30 is rejected under similar rationale.

As per claim 13 (Previously Presented) Lupien US 5,101,353 discloses a method of claim 11, wherein: the policy of the selected market center indicates that the trading order may be disclosed to a market participant; and the trading order routed to the selected market center specifies the maximum disclosure quantity of the trading product

but not the total quantity of the trading product. ("All internal trades executed for clients by the present invention are immediately reported in the appropriate manner to the central reporting facility via trade data link or terminal 26 so as to disclose them to the markets and are written to files in the storage devices 14 of each client for processing at the end of each day. They can be viewed selectively based upon various levels of secure access during the trading day." Lupien US 5,101,353 col. 12, lines 8-14)

Claim 31 is rejected under similar rationale.

As per claim 14 (Original) The method of claim 13, wherein the trading order routed to the selected market center comprises a day trading order that remains on an order book of the selected market center for the lesser of the remainder of a current trading day, until it is canceled, or until it is filled. ("Clients and brokers using the system have the ability to view information pertaining to all pending orders and all of their own executed and cancelled orders ranked by various criteria as demonstrated in the various screen or window formats shown in FIGS. 2 through 6." Lupien US 5,101,353 col. 7, lines 15-19)

Claim 32 is rejected under similar rationale.

As per claim 15 (Previously Presented) The method of claim 11, wherein:
Lupien US 5,101,353 fails to explicitly teach that the policy of the selected market center indicates that the trading order will not be disclosed to a market participant; and the trading order routed to the selected market center specifies the total quantity of the

trading product. ("All internal trades executed for clients by the present invention are immediately reported in the appropriate manner to the central reporting facility via trade data link or terminal 26 so as to disclose them to the markets and are written to files in the storage devices 14 of each client for processing at the end of each day. They can be viewed selectively based upon various levels of secure access during the trading day. At the end of the day, all purchase and sale transactions for each portfolio in each security are average-priced at the client's instruction so that there is only one sale report and one buy report per security per client. These reports are then forwarded to the clearing agent and, if appropriate, to each client's custodian." Lupien US 5,101,353 col. 12, lines 8-21)

Claim 33 is rejected under similar rationale.

As per claim 16 (Original) Lupien US 5,101,353 discloses a method of claim 15, wherein the trading order routed to the selected market center comprises an IOC order that the selected market center attempts to fill immediately and cancels any portion of the trading order that cannot be filled immediately. ("By contrast, internal auto-traders accept matches immediately in real time without tentative acceptance. If either side of the trade rejects the match, the order is reopened at block 86 while the order of the rejecting side is newly time-stamped and moved to the rear of its price-priority group. The order of the accepting side is not requeued." Lupien US 5,101,353 col. 13, lines 35-41)

Claim 34 is rejected under similar rationale.

As per claim 17 (Original) Lupien US 5,101,353 discloses a method of claim 1, further comprising:

monitoring the length of time the trading order is active with the selected market center; determining a timeout when the length of time the trading order is active with the selected market center equals or exceeds a predetermined time threshold; and communicating a cancel instruction for the trading order in response to determining the timeout. ("That portion of the invention which analyzes price and determines orders is operated by a registered investment adviser. Orders are executed by the system on a price/time priority basis within the system in step 44, although orders could also be executed on a price/size/time priority basis." Lupien US 5,101,353 col. 11, lines 42-47)

Claim 35 is rejected under similar rationale.

As per claim 18 (Original) Lupien US 5,101,353 discloses a method of claim 17, further comprising communicating an order instruction for the trading order in response to determining the timeout. ("That portion of the invention which analyzes price and determines orders is operated by a registered investment adviser. Orders are executed by the system on a price/time priority basis within the system in step 44, although orders could also be executed on a price/size/time priority basis." Lupien US 5,101,353 col. 11, lines 42-47)

Claim 36 is rejected under similar rationale.

Conclusion

7. The following is prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

La Mura (US 7,058,602 B1) teaches an auction system and method for suitable use with online transactions which provide a plurality of enhanced auctions.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Gerald C. Vizvary whose telephone number is 571-270-3268. The examiner can normally be reached on Monday thru Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Abdi Kambiz can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-270-4268.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/THOMAS A DIXON/
Supervisory Patent Examiner

Gerald Vizvary